

For Immediate Release

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CH2M HILL Contract "Raises Bar" for Tank Waste Cleanup

RICHLAND, Wash. – CH2M HILL Hanford Group, Inc. (CHG) has signed a \$2.2 billion Hanford tank waste management contract that commits it to specific milestones through Fiscal Year 2006.

"Our new six-year contract with the Department of Energy's Office of River Protection provides for a very challenging scope of work, in some cases committing to perform work that previously had not been projected to be done until 2018. In signing this contract, we build upon our previous successes as the Hanford tank farm contractor, but the bar has been raised significantly," said CHG President and General Manager Fran DeLozier.

A key feature of the contract is the inclusion of specific performance-based incentives that are tied to how much fee CHG can earn from DOE. The contract also has provisions for so-called "superstretch" incentives, which are in the baseline of Hanford tank farm work but are currently unfunded.

"This is a different kind of contract and a different kind of contractor. Here we have a proven top performer willing to put its profit and its reputation on the line to complete this focused cleanup job," said Office of River Protection Manager Harry Boston.

"To be successful in executing this contract for the Department of Energy and all Hanford stakeholders, CH2M HILL Hanford Group must find efficiencies and do more work for less," DeLozier explained. "I am confident that with our CHG workforce, and in particular our partnership with the bargaining unit, we will continue and even improve upon the solid outstanding performance of the past several years."

Those years have seen much progress in managing the more than 53 million gallons of radioactive waste stored in Hanford's 177 huge underground tanks. These successes included implementation of a master nuclear safety control set, development of a detailed plan laying out the entire path for waste retrieval, closure of safety issues and removal of 20 tanks from a congressionally mandated watch list, numerous waste transfers across the site through a new regulatory compliant pipeline, development of an integrated plan to pump the remaining single-shell tanks and pumping of more than a million gallons of waste since June 1998, solving problems with tanks C-106 and SY-101 that had concerned regulators and stakeholders for years, and three times passing the 1-million-hour mark without recording a lost workday injury.

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CH2M HILL contract, add 1
January 17, 2001

In addition to committing CHG to accomplish scheduled milestones, the contract also continues and increases the strong emphasis on safety and protection of the environment, stating they will be integrated “into all activities, including those of subcontractors at all levels consistent with Integrated Safety Management principles.”

Other features of the contract include implementing a process to identify and manage technologies for Hanford-specific solutions and development of a community commitment plan., which will be presented to the community by Oct. 1, 2001.

“We continue to be mindful of our obligations to the community and have committed in this contract to work with community leaders to identify community needs and present a plan to help meet those needs,” DeLozier said.

CH2M HILL Hanford Group, Inc. is part of CH2M HILL, an employee-owned global project delivery company with offices on six continents. Ralph Peterson, CH2M HILL chairman and chief executive officer, said the new CHG contract is further evidence of CH2M HILL’s continuing commitment as a premier engineering, construction and major project delivery company.

“By signing this contract, we are saying to the Department of Energy and to the world that CH2M HILL is willing to continue in one of the world’s toughest cleanup jobs. We know that the stakeholders and our customer expect us to perform to be rewarded, and we are determined to succeed,” Peterson said.

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